

Message Text

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PAGE 01 SAN JO 04294 052111Z

72

ACTION OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 FRB-02 OMB-01

TRSE-00 /063 W

----- 042824

R 052240Z DEC 73

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 5689

UNCLAS SAN JOSE 4294

E.O. 11652: N/A

TAGS: EFIN, CS

SUBJECT: DELAYS IN CURRENCY CONVERSION

REF: (A) STATE 234383

(B) SAN JOSE A-54, MARCH 28, 1973

1. REFERENCE (B) IS STILL SUBSTANTIALLY CORRECT WITH THE EXCEPTION, ACCORDING TO THE CENTRAL BANK, THAT TRANSACTIONS IN OFFICIAL EXCHANGE ARE NOW EFFECTED WITH PRACTICALLY NO DELAY SUBJECT TO THE FOLLOWING QUALIFICATIONS:

A. APPLICATIONS FOR DOLLARS AT THE OFFICIAL RATE FOR CURRENT TRANSACTIONS ARE NORMALLY HONORED IN 5 TO 6 DAYS WITH A FLOAT OF FROM \$1 MILLION TO \$2 MILLION. AN ADDITIONAL \$4 MILLION OF SUCH APPLICATIONS ARE PENDING BECAUSE OF TECHNICAL PROBLEMS WITH THE APPLICATION THEMSELVES.

B. ARREARAGES OF OLD APPLICATIONS (I.E. PARTICULARLY THOSE MADE BEFORE THE "OFFICIAL LIST" WAS SHARPLY REDUCED IN OCTOBER 1972) HAVE BEEN REDUCED TO LESS THAN \$10 MILLION. THE OUTLOOK IS FOR TOTAL ELIMINATION OF THE ARREARAGES IN A RELATIVELY SHORT TIME, WITH NO NEW ACCUMULATIONS.

2. ACCORDING TO PRESS SPECULATION THE CONSIDERABLE STRENGTHENING OF THE COLON NOTED IN THE PAST YEAR WILL LEAD TO REUNIFICATION OF THE "SPLIT" OR "DUAL" EXCHANGE RATE, BUT THIS IS NOT LIKELY TO BE ATTEMPTED UNTIL AFTER THE FEBRUARY PRESIDENTIAL ELECTIONS. THUS THERE CONTINUES TO BE AN OFFICIAL BUYING RATE OF
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PAGE 02 SAN JO 04294 052111Z

6.68 COLONES FOR DOLLARS (SELLING RATE 6.62) AND A FREE MARKET

BUYING RATE OF 8.60 COLONES (SELLING 8.54). THERE ARE
NO LEGAL CONSTRAINTS ON CONVERTIBILITY.
VAKY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Original Previous Classification: n/a
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